

SULLIVAN, HILL, LEWIN, REZ & ENGEL  
A Professional Law Corporation  
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Jonathan S. Dabbieri, CA SBN 91963 (Pro Hac Vice)  
Elizabeth E. Stephens, NV SBN 5788  
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**Electronically Filed: September 20, 2013**

Attorneys for Chapter 7 Trustee,  
William A. Leonard, Jr.

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA

In re ) CASE NO. BK-S-09-32824-RCJ (Lead Case)  
ASSET RESOLUTION, LLC, )  
Debtor. ) Jointly Administered with Case Nos.:  
BK-S-09-32831-RCJ; BK-S-09-32839-RCJ;  
BK-S-09-32843-RCJ; BK-S-09-32844-RCJ;  
BK-S-09-32846-RCJ; BK-S-09-32849-RCJ;  
BK-S-09-32851-RCJ; BK-S-09-32853-RCJ;  
BK-S-09-32868-RCJ; BK-S-09-32873-RCJ;  
BK-S-09-32875-RCJ; BK-S-09-32878-RCJ;  
BK-S-09-32880-RCJ; BK-S-09-32882-RCJ  
Chapter 7

**Affects:**

- ☒ All Debtors
- ☐ Asset Resolution, LLC, 09-32824
- ☐ Bundy 2.5 Million SPE, LLC, 09-32831
- ☐ Bundy Five Million SPE, LLC, 09-32839
- ☐ CFP Anchor B SPE, LLC, 09-32843
- ☐ CFP Cornman Toltec SPE, LLC, 09-32844
- ☐ CFP Gess SPE LLC, 09-32846
- ☐ CFP Gramercy SPE, LLC, 09-32849
- ☐ Fiesta Stoneridge, LLC, 09-32851
- ☐ Fox Hills SPE, LLC, 09-32853
- ☐ HFAH Monaco SPE LLC, 09-32868
- ☐ Huntsville SPE LLC, 09-32873
- ☐ Lake Helen Partners SPE LLC, 09-32875
- ☐ Ocean Atlantic SPE LLC, 09-32878
- ☐ Shamrock SPE LLC, 09-32880
- ☐ 10-90 SPE, LLC, 09-32882

**SULLIVAN HILL'S NOTICE OF INTERIM  
COMPENSATION REQUESTED (AUGUST  
2013) AS COUNSEL FOR CHAPTER 7  
TRUSTEE**

Ctrm: RCJ - Courtroom 6  
Bruce R. Thompson Federal Building  
400 S. Virginia Street  
Reno, NV 89501  
Judge: Hon. Robert C. Jones

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1 TO WILLIAM A. LEONARD, JR., CHAPTER 7 TRUSTEE (“TRUSTEE”); AND OTHER  
2 PARTIES ENTITLED TO NOTICE:

3 Pursuant to the Court’s Order Establishing Procedures for Interim Compensation of  
4 Professionals (“Interim Compensation Order”) made in open court on May 27, 2010 and entered on  
5 October 15, 2010 [Docket No. 1243], as modified by the Court in its oral ruling on February 24,  
6 2011, placing an interim cap on rates of \$400 per hour for attorneys and \$100 per hour for  
7 paralegals, the August 2013 invoices of Sullivan Hill Lewin Rez & Engel (“Sullivan Hill”), counsel  
8 for the Trustee, are attached as Exhibit “A” hereto. During the month of August, Sullivan Hill billed  
9 fees in the amount of \$17,404.50, reduced to \$15,462.50 applying the Court ordered cap, and costs  
10 in the amount of \$155.46. At this time, on the terms set forth below, Sullivan Hill seeks payment  
11 based upon the reduced amount. All terms not defined herein shall have the meaning given them in  
12 the Interim Compensation Order.

13 Exhibit “B” hereto is a budget setting forth the fees and costs Sullivan Hill estimates that it  
14 will incur in these cases during the months of September and October 2013. All amounts set forth  
15 on Exhibit “B” are estimates only, and actual fees and costs will depend on a variety of facts and  
16 circumstances. Exhibit “B” also sets out, on a matter by matter basis, the fees requested by this  
17 notice, at both the firm’s usual and customary rates (Column B) and the rates as capped by the Court  
18 (Column C).

19 In accordance with the Interim Compensation Order:

20 (1) Any Reviewing Party may serve upon the Sullivan Hill within 10 days of service of  
21 an invoice (“Objection Period”) a written “Notice of Objection to Fee Statement” (“Objection”)  
22 setting forth the precise nature of the Objection and the amounts disputed.

23 (2) If no Objection to an invoice is timely served within the Objection Period, the Trustee  
24 is authorized to pay from the estate for which the services were rendered or the costs incurred on an  
25 interim basis, subject to the further approval or adjustment upon fee application as described below,  
26 80 percent (80%) of the fees requested applying the cap -- (80% of \$15,462.50, or \$12,370.00) -- and  
27 100 percent (100%) of the costs requested in such invoices -- \$155.46.

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1 (3) If an Objection is timely served within the Objection Period which objects to some  
2 but not all of the fees and costs requested in this notice, the Trustee is authorized to pay -- on an  
3 interim basis, subject to the further approval or adjustment upon fee application as described below -  
4 - 80 percent (80%) of the uncontested fees requested in this notice (at the capped rates), and 100  
5 percent (100%) of the uncontested costs requested in such invoice.

6 (4) If an Objection is timely served within the Objection Period, the parties shall meet  
7 and confer and attempt to reach a consensual resolution of the dispute. If such a resolution is  
8 reached, the parties shall notify the Trustee and all Reviewing Parties, and the Trustee shall promptly  
9 pay the agreed-upon fees and costs, on an interim basis, subject to the further approval upon fee  
10 application as described below.

11 (5) If an Objection is timely served with the Objection Period and not resolved through  
12 the meet-and-confer process described above, Sullivan Hill may (i) file with the Court a request for  
13 payment of the amounts requested in this notice (along with a copy of the Objection), and set a  
14 hearing on the matter; or (ii) forego payment of the disputed amounts until the amounts are  
15 addressed in the next interim fee application.

16 (6) Approximately every four (4) months, Sullivan Hill will file with the Court and serve  
17 on the Reviewing Parties an application for interim approval and allowance of the fees and costs  
18 incurred during the prior four months -- addressing amounts previously paid and amounts previously  
19 held back -- pursuant to section 331 of the Bankruptcy Code.

20 (7) All amounts paid in accordance with this process shall be interim in nature and  
21 subject to disgorgement until such time as the Court orders otherwise.

22 (8) No action or inaction in with respect to an invoice, any payment thereof, or any  
23 objection thereto shall prejudice the rights of any party in interest with respect to an interim or final  
24 fee application, and all rights with respect to such applications -- including the right to object -- are  
25 fully reserved.

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1 (9) Sullivan Hill reserves the right to request at a future date that the Court approve  
2 payment of the fees included in this notice at the firm's previously approved uncapped rates.

3 Dated: September 20, 2013

SULLIVAN, HILL, LEWIN, REZ & ENGEL  
A Professional Law Corporation

4  
5 By: /s/ Jonathan S. Dabbieri  
6 James P. Hill (Pro Hac Vice)  
7 Jonathan S. Dabbieri (Pro Hac Vice)  
8 Elizabeth E. Stephens  
9 Attorneys for Chapter 7 Trustee,  
10 William A. Leonard, Jr.  
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**EXHIBIT A**



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Federal Tax ID  
33-0644076

Asset Resolution, LLC  
c/o William A. Leonard, Jr., Trustee  
6625 South Valley View, Bldg B, Ste. 224  
Las Vegas, NV 89118

Invoice 150601  
September 19, 2013

Our Matter # 554-14034 - JPH

Re: Asset Resolution, LLC

For Services Rendered Through August 31, 2013

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Current Fees	4,214.50
Current Disbursements	155.46

<b>Total Current Due</b>	<b>4,369.96</b>
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**Sullivan, Hill, Lewin, Rez & Engel**

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Asset Resolution, LLC	September 19, 2013
Re: Asset Resolution, LLC	Invoice 150601
I.D. 554-14034 - JPH	Page 2

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Fee Recap				
		Hours	Rate/Hour	Amount
James P. Hill	Shareholder	2.50	495.00	1,237.50
Jonathan S. Dabbieri	Shareholder	6.00	425.00	2,550.00
Elizabeth E. Stephens	Of Counsel	0.30	375.00	112.50
Jamie N. Vidovich	Paralegal	1.70	185.00	314.50
Totals		10.50		4,214.50

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**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC  
 Re: Asset Resolution, LLC  
 I.D. 554-14034 - JPH

September 19, 2013  
 Invoice 150601  
 Page 3

Fees					
Date	Atty	Description	Hours	Rate	Amount
08/02/13	EES	Meet and confer with Trustee and Bankruptcy Group re: status of case.	0.30	375.00	112.50
08/02/13	JNV	Status meeting with bankruptcy attorneys Trustee re status, pending actions and tasks.	0.40	185.00	74.00
08/02/13	JSD	Memorandum re value of property and direct lender development proposals.	0.30	425.00	127.50
08/02/13	JPH	Conference with J. Dabbieri, B. Stephens, J. Vidovich, and staff re case status, pending matters, upcoming hearings, Lake Helen/Citron, Gardens settlement offers, Cornman Toltec offer, administrative claims bar date, motion to compel distributions, real estate tax issues and responses, Bundy involuntary, Midland matters, Fox Hills and Fort Meyers matter, and follow up with Trustee Leonard re same and re USACM report (.5).	0.50	495.00	247.50
08/05/13	JSD	Telephone conference with Donna Cangelosi and Biff Leonard re resolution of estate assets.	1.30	425.00	552.50
08/05/13	JSD	Drafted proposed supplemental declaration re motion to compel distribution of estate assets and forwarded to Mr. Leonard.	0.40	425.00	170.00
08/06/13	JNV	Prepare supplemental declaration of W. Leonard re Response to Motion to Compel Distributions (.2); prepare Certificate of Service of same (.1); electronic filing and service of foregoing (.4).	0.70	185.00	129.50
08/08/13	JSD	Reviewed memoranda re status of protective advance loans.	0.30	425.00	127.50
08/09/13	JSD	Conference with Mr. Leonard re implementation of PAL orders.	0.30	425.00	127.50
08/09/13	JSD	Reviewed loan reconciliation documents.	0.40	425.00	170.00
08/13/13	JNV	Monthly case status review and analysis.	0.30	185.00	55.50
08/13/13	JSD	Researched issuance of subpoenas by party's attorney; memorandum to Aaron Gottlieb re same.	1.20	425.00	510.00
08/13/13	JSD	Memorandum to Mr. Leonard re PAL draw downs.	0.10	425.00	42.50
08/13/13	JSD	Reviewed draft supplemental order re PAL financing.	0.40	425.00	170.00
08/13/13	JSD	Analyzed payment history and memorandum to Mr. Leonard re distributions to Frieda Moon and Mr. Ulm.	0.80	425.00	340.00
08/14/13	JSD	Memorandum to Mr. Majorie re proposed supplemental PAL order.	0.40	425.00	170.00
08/14/13	JSD	Second memorandum to Mr. Majorie re PAL orders.	0.10	425.00	42.50
08/19/13	JPH	Meeting with Trustee Leonard re pending matters, motion to compel distributions and multiple objections filed re same (.5); review further reply filed by J. Chubb re objections (.3); multiple correspondence to/from trustee re same, request to file additional reply to the latest filing (.2).	1.00	495.00	495.00
08/22/13	JPH	Conference with trustee re J. Chubb's motion to distribute, outline for response to same showing impracticality if not impossibility	1.00	495.00	495.00



**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC  
 Re: Asset Resolution, LLC  
 I.D. 554-14034 - JPH

September 19, 2013  
 Invoice 150601  
 Page 4

<b>Date</b>	<b>Atty</b>	<b>Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
		(.2); review pleadings re same and work on expanded outline re funds on hand and earmarking in different estates (.5); telephone conferences (2x) with trustee re same and draft further correspondence to trustee confirming outline for sur-reply (.3).			
08/29/13	JNV	Review and update master special notice list.	0.30	185.00	55.50
<b>Total Fees</b>			<b>10.50</b>		<b>4,214.50</b>

<b>Disbursements</b>					
<b>Date</b>	<b>Description</b>				<b>Amount</b>
08/02/13	Postage				8.76
08/06/13	Postage				1.98
08/12/13	Postage				6.08
08/19/13	Postage				9.36
08/21/13	Postage				1.52
08/23/13	Postage				4.44
08/23/13	Recorder Fees; Oak Shores Order; San Luis Obispo County Clerk/Recorder				122.00
08/28/13	Postage				1.32
<b>Total Disbursements</b>					<b>155.46</b>

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Asset Resolution, LLC  
c/o William A. Leonard, Jr., Trustee  
6625 South Valley View, Bldg B, Ste. 224  
Las Vegas, NV 89118

Invoice 150602  
September 19, 2013

Our Matter # 554-14108 - JPH

Re: CFP Cornman Toltec SPE 09-32844

For Services Rendered Through August 31, 2013

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Current Fees	49.50
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<b>Total Current Due</b>	<b>49.50</b>
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**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC

September 19, 2013

Re: CFP Cornman Toltec SPE 09-32844

Invoice 150602

I.D. 554-14108 - JPH

Page 2

**Fee Recap**

		<b>Hours</b>	<b>Rate/Hour</b>	<b>Amount</b>
James P. Hill	Shareholder	0.10	495.00	49.50
<b>Totals</b>		<b>0.10</b>		<b>49.50</b>

**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC

September 19, 2013

Re: CFP Cornman Toltec SPE 09-32844

Invoice 150602

I.D. 554-14108 - JPH

Page 3

Fees					
Date	Atty	Description	Hours	Rate	Amount
08/15/13	JPH	Correspondence from/to J. Frazey re renewed interest for purchase offer on Casa Grande, and update to trustee re same (.1).	0.10	495.00	49.50
Total Fees			0.10		49.50

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Asset Resolution, LLC  
c/o William A. Leonard, Jr., Trustee  
6625 South Valley View, Bldg B, Ste. 224  
Las Vegas, NV 89118

Invoice 150603  
September 19, 2013

Our Matter # 554-14112 - JPH

Re: Fox Hills SPE 09-32853

For Services Rendered Through August 31, 2013

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Current Fees	37.00
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<b>Total Current Due</b>	<b>37.00</b>
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**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC

September 19, 2013

Re: Fox Hills SPE 09-32853

Invoice 150603

I.D. 554-14112 - JPH

Page 2

**Fee Recap**

		<b>Hours</b>	<b>Rate/Hour</b>	<b>Amount</b>
Jamie N. Vidovich	Paralegal	0.20	185.00	37.00
<b>Totals</b>		<b>0.20</b>		<b>37.00</b>

**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC  
Re: Fox Hills SPE 09-32853  
I.D. 554-14112 - JPH

September 19, 2013  
Invoice 150603  
Page 3

Fees					
Date	Atty	Description	Hours	Rate	Amount
08/21/13	JNV	Review water invoices re Fox Hills and correspondence from J. Hill re same (.1); confirm estate's interest in same (.1).	0.20	185.00	37.00
Total Fees			0.20		37.00

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Asset Resolution, LLC  
c/o William A. Leonard, Jr., Trustee  
6625 South Valley View, Bldg B, Ste. 224  
Las Vegas, NV 89118

Invoice 150604  
September 19, 2013

Our Matter # 554-14113 - JPH  
Re: HFAH Monaco SPE 09-32868

For Services Rendered Through August 31, 2013

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Current Fees	42.50
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<b>Total Current Due</b>	<b>42.50</b>
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**Sullivan, Hill, Lewin, Rez & Engel**

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Asset Resolution, LLC	September 19, 2013
Re: HFAH Monaco SPE 09-32868	Invoice 150604
I.D. 554-14113 - JPH	Page 2

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Fee Recap				
		Hours	Rate/Hour	Amount
Jonathan S. Dabbieri	Shareholder	0.10	425.00	42.50
Totals		0.10		42.50

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**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC  
Re: HFAH Monaco SPE 09-32868  
I.D. 554-14113 - JPH

September 19, 2013  
Invoice 150604  
Page 3

Fees					
Date	Atty	Description	Hours	Rate	Amount
08/05/13	JSD	Memorandum to Ms. Cangelosi forwarding expression of interest by potential buyer.	0.10	425.00	42.50
Total Fees			0.10		42.50



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Asset Resolution, LLC  
c/o William A. Leonard, Jr., Trustee  
6625 South Valley View, Bldg B, Ste. 224  
Las Vegas, NV 89118

Invoice 150605  
September 19, 2013

Our Matter # 554-14115 - JPH  
Re: Lake Helen Partners SPE 09-32875

For Services Rendered Through August 31, 2013

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Current Fees	212.50
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<b>Total Current Due</b>	<b>212.50</b>
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**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC

September 19, 2013

Re: Lake Helen Partners SPE 09-32875

Invoice 150605

I.D. 554-14115 - JPH

Page 2

**Fee Recap**

		<b>Hours</b>	<b>Rate/Hour</b>	<b>Amount</b>
Jonathan S. Dabbieri	Shareholder	0.50	425.00	212.50
<b>Totals</b>		<b>0.50</b>		<b>212.50</b>

**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC

September 19, 2013

Re: Lake Helen Partners SPE 09-32875

Invoice 150605

I.D. 554-14115 - JPH

Page 3

Fees					
Date	Atty	Description	Hours	Rate	Amount
08/14/13	JSD	Memorandum to Ms. Cangelosi re status of direct lender vote on proposed settlement.	0.10	425.00	42.50
08/15/13	JSD	Telephone conference with Ryan Works re settlement of Citron lawsuit.	0.20	425.00	85.00
08/16/13	JSD	Memorandum to Erv Nelson re status of settlement.	0.20	425.00	85.00
Total Fees			0.50		212.50



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Asset Resolution, LLC  
c/o William A. Leonard, Jr., Trustee  
6625 South Valley View, Bldg B, Ste. 224  
Las Vegas, NV 89118

Invoice 150606  
September 19, 2013

Our Matter # 554-14118 - JPH

Re: 10-90 SPE 09-32882

For Services Rendered Through August 31, 2013

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Current Fees	127.50
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<b>Total Current Due</b>	<b>127.50</b>
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**Sullivan, Hill, Lewin, Rez & Engel**

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Asset Resolution, LLC  
Re: 10-90 SPE 09-32882  
I.D. 554-14118 - JPH

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September 19, 2013  
Invoice 150606  
Page 2

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Fee Recap				
		Hours	Rate/Hour	Amount
Jonathan S. Dabbieri	Shareholder	0.30	425.00	127.50
Totals		0.30		127.50

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**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC	September 19, 2013
Re: 10-90 SPE 09-32882	Invoice 150606
I.D. 554-14118 - JPH	Page 3

Fees					
Date	Atty	Description	Hours	Rate	Amount
08/05/13	JSD	Memorandum re value of San Bernardino property.	0.10	425.00	42.50
08/05/13	JSD	Memorandum to Martha Romero responding to inquiry re relief from stay.	0.20	425.00	85.00
Total Fees			0.30		127.50



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Federal Tax ID  
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Asset Resolution, LLC  
c/o William A. Leonard, Jr., Trustee  
6625 South Valley View, Bldg B, Ste. 224  
Las Vegas, NV 89118

Invoice 150609  
September 19, 2013

Our Matter # 554-14187 - JPH  
Re: Fee Applications

For Services Rendered Through August 31, 2013

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Current Fees	874.00
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<b>Total Current Due</b>	<b>874.00</b>
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**Sullivan, Hill, Lewin, Rez & Engel**

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Asset Resolution, LLC  
Re: Fee Applications  
I.D. 554-14187 - JPH

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September 19, 2013  
Invoice 150609  
Page 2

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Fee Recap				
		Hours	Rate/Hour	Amount
James P. Hill	Shareholder	0.60	495.00	297.00
Jonathan S. Dabbieri	Shareholder	0.40	425.00	170.00
Jamie N. Vidovich	Paralegal	2.20	185.00	407.00
Totals		3.20		874.00

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**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC  
 Re: Fee Applications  
 I.D. 554-14187 - JPH

September 19, 2013  
 Invoice 150609  
 Page 3

Fees					
Date	Atty	Description	Hours	Rate	Amount
08/02/13	JNV	Begin drafting notice of interim compensation for July 2013.	0.30	185.00	55.50
08/16/13	JSD	Drafted fee notice narrative and budget.	0.40	425.00	170.00
08/16/13	JPH	Review and revise statement of case provisions for interim fee application notice (.3).	0.30	495.00	148.50
08/19/13	JNV	Finalize exhibits to July Interim Fee Notice (1.2); revise and finalize notice of interim compensation (July) (.3); electronically file and serve foregoing (.4).	1.90	185.00	351.50
08/19/13	JPH	Final review and approval of interim fee notice (.2).	0.20	495.00	99.00
08/22/13	JPH	Review entered order from Judge Jones, and correspondence to/from Trustee Leonard re same (.1).	0.10	495.00	49.50
<b>Total Fees</b>			<b>3.20</b>		<b>874.00</b>



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Asset Resolution, LLC  
c/o William A. Leonard, Jr., Trustee  
6625 South Valley View, Bldg B, Ste. 224  
Las Vegas, NV 89118

Invoice 150610  
September 19, 2013

Our Matter # 554-14340 - JPH

Re: BarUSA

For Services Rendered Through August 31, 2013

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Current Fees	340.00
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<b>Total Current Due</b>	<b>340.00</b>
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**Sullivan, Hill, Lewin, Rez & Engel**

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Asset Resolution, LLC	September 19, 2013
Re: BarUSA	Invoice 150610
I.D. 554-14340 - JPH	Page 2

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Fee Recap				
		Hours	Rate/Hour	Amount
Jonathan S. Dabbieri	Shareholder	0.80	425.00	340.00
Totals		0.80		340.00

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**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC  
Re: BarUSA  
I.D. 554-14340 - JPH

September 19, 2013  
Invoice 150610  
Page 3

Fees					
Date	Atty	Description	Hours	Rate	Amount
08/08/13	JSD	Memorandum to Mr. Ulm re Frieda Moon distributions.	0.30	425.00	127.50
08/16/13	JSD	Conference with Mr. Leonard and memorandum confirming distribution due on BarUSA interest.	0.50	425.00	212.50
Total Fees			0.80		340.00



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Asset Resolution, LLC  
c/o William A. Leonard, Jr., Trustee  
6625 South Valley View, Bldg B, Ste. 224  
Las Vegas, NV 89118

Invoice 150607  
September 19, 2013

Our Matter # 554-14180 - JPH  
Re: Gardens

For Services Rendered Through August 31, 2013

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Current Fees	990.00
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<b>Total Current Due</b>	<b>990.00</b>
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**Sullivan, Hill, Lewin, Rez & Engel**

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Asset Resolution, LLC  
Re: Gardens  
I.D. 554-14180 - JPH

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September 19, 2013  
Invoice 150607  
Page 2

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Fee Recap				
		Hours	Rate/Hour	Amount
James P. Hill	Shareholder	2.00	495.00	990.00
Totals		2.00		990.00

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**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC  
 Re: Gardens  
 I.D. 554-14180 - JPH

September 19, 2013  
 Invoice 150607  
 Page 3

Fees					
Date	Atty	Description	Hours	Rate	Amount
08/05/13	JPH	Settlement telephone conference with F. Caiazzo (for Granatstein) (.2); correspondence to Trustee Leonard re same (.1); conference with Trustee Leonard re settlement talks, proposal from F. Caiazzo, follow up with other parties, alternatives (.2); correspondence to/from Florida counsel B. Higgins re receivership and discovery action in Florida, possible settlement (.1).	0.40	495.00	198.00
08/09/13	JPH	Review and reply to correspondence from D. Rentz re settlement discussion status with Granatstein (.2).	0.20	495.00	99.00
08/22/13	JPH	Further correspondence to/from trustee and D. Rentz re Gardens settlement discussions, multiple calls from F. Caiazzo (.1).	0.10	495.00	49.50
08/23/13	JPH	Correspondence to/from Trustee, and correspondence to K. Johnson re his interest in settlement talks re ARC loans and liens on Gardens and Parliament House properties (.1).	0.10	495.00	49.50
08/26/13	JPH	Meeting in Las Vegas with Trustee re Gardens settlement talks, reported transfer of ownership of Compass note, next steps (.3).	0.30	495.00	148.50
08/27/13	JPH	Telephone conference with K. Johnson re Gardens loans, his purchase of Compass senior lien loan on Parliament House, settlement meeting with trustee and interested parties, alternatives, possible receivership proceeding (.3); conference with Trustee Leonard re same (.2).	0.50	495.00	247.50
08/28/13	JPH	Draft correspondence to trustee re Gardens settlement talks (.1); draft correspondence to K. Johnson (Compass loan) settlement meeting (.1); telephone conference with D. Rentz re same, recent transfer, possible receivership proceeding (.2).	0.40	495.00	198.00
<b>Total Fees</b>			<b>2.00</b>		<b>990.00</b>



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Asset Resolution, LLC  
c/o William A. Leonard, Jr., Trustee  
6625 South Valley View, Bldg B, Ste. 224  
Las Vegas, NV 89118

Invoice 150612  
September 19, 2013

Our Matter # 554-15015 - JPH  
Re: Margarita Annex

For Services Rendered Through August 31, 2013

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Current Fees	212.50
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<b>Total Current Due</b>	<b>212.50</b>
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**Sullivan, Hill, Lewin, Rez & Engel**

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Asset Resolution, LLC	September 19, 2013
Re: Margarita Annex	Invoice 150612
I.D. 554-15015 - JPH	Page 2

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Fee Recap				
		Hours	Rate/Hour	Amount
Jonathan S. Dabbieri	Shareholder	0.50	425.00	212.50
Totals		0.50		212.50

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**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC  
Re: Margarita Annex  
I.D. 554-15015 - JPH

September 19, 2013  
Invoice 150612  
Page 3

Fees					
Date	Atty	Description	Hours	Rate	Amount
08/05/13	JSD	Memorandum to Mr. Majorie re pending Midland hearings.	0.10	425.00	42.50
08/05/13	JSD	Reviewed reply memorandum by Ms. Cangelosi re Midland.	0.30	425.00	127.50
08/07/13	JSD	Reviewed supplemental declaration by Ms. Cangelosi; Midland Pacific request court consider previously filed declarations.	0.10	425.00	42.50
Total Fees			0.50		212.50



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Asset Resolution, LLC  
c/o William A. Leonard, Jr., Trustee  
6625 South Valley View, Bldg B, Ste. 224  
Las Vegas, NV 89118

Invoice 150608  
September 19, 2013

Our Matter # 554-14182 - JPH  
Re: Palm Harbor

For Services Rendered Through August 31, 2013

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Current Fees	164.50
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<b>Total Current Due</b>	<b>164.50</b>
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**Sullivan, Hill, Lewin, Rez & Engel**

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Asset Resolution, LLC  
Re: Palm Harbor  
I.D. 554-14182 - JPH

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September 19, 2013  
Invoice 150608  
Page 2

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Fee Recap				
		Hours	Rate/Hour	Amount
Jonathan S. Dabbieri	Shareholder	0.30	425.00	127.50
Jamie N. Vidovich	Paralegal	0.20	185.00	37.00
Totals		0.50		164.50

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**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC  
Re: Palm Harbor  
I.D. 554-14182 - JPH

September 19, 2013  
Invoice 150608  
Page 3

Fees					
Date	Atty	Description	Hours	Rate	Amount
08/12/13	JSD	Telephone conference with Matt Riopelle re loan documents; memorandum to Mr. Leonard.	0.30	425.00	127.50
08/13/13	JNV	Research re documentation re Palm Harbor loan, confer with J. Dabbieri re same.	0.20	185.00	37.00
Total Fees			0.50		164.50



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Asset Resolution, LLC  
c/o William A. Leonard, Jr., Trustee  
6625 South Valley View, Bldg B, Ste. 224  
Las Vegas, NV 89118

Invoice 150611  
September 19, 2013

Our Matter # 554-15003 - JPH  
Re: Claims Analysis/Objections

For Services Rendered Through August 31, 2013

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Current Fees	6,770.50
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<b>Total Current Due</b>	<b>6,770.50</b>
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**Sullivan, Hill, Lewin, Rez & Engel**

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Asset Resolution, LLC  
Re: Claims Analysis/Objections  
I.D. 554-15003 - JPH

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September 19, 2013  
Invoice 150611  
Page 2

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Fee Recap				
		Hours	Rate/Hour	Amount
James P. Hill	Shareholder	0.10	495.00	49.50
Jonathan S. Dabbieri	Shareholder	14.90	425.00	6,332.50
Jamie N. Vidovich	Paralegal	2.10	185.00	388.50
Totals		17.10		6,770.50

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**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC  
 Re: Claims Analysis/Objections  
 I.D. 554-15003 - JPH

September 19, 2013  
 Invoice 150611  
 Page 3

Fees					
Date	Atty	Description	Hours	Rate	Amount
08/02/13	JNV	Review, revise and finalize Motion to Discharge Epiq, supporting declarations of W. Leonard and D. Malo (.6); finalize exhibits thereto (.2); electronic filing and service of foregoing (.3).	1.10	185.00	203.50
08/02/13	JSD	Reviewed revisions to stipulation to resolve Sullivan & Worcester claim.	0.30	425.00	127.50
08/02/13	JSD	Reviewed draft settlement agreement with Akerman Senteritt.	0.50	425.00	212.50
08/02/13	JSD	Finalized motion to discharge Epiq as claims processor.	0.50	425.00	212.50
08/02/13	JSD	Telephone conference with Frank Majorie re claim settlements.	0.20	425.00	85.00
08/06/13	JSD	Reviewed final revisions to Mr. Leonard's supplemental declaration on motion to compel distribution.	0.20	425.00	85.00
08/06/13	JPH	Telephone conference with trustee re claims and resolution of same (.1).	0.10	495.00	49.50
08/07/13	JSD	Memorandum to all parties re proposed Akerman Senteritt settlement agreement.	0.40	425.00	170.00
08/07/13	JSD	Reviewed stipulation to resolve Sullivan & Worcester claim.	0.20	425.00	85.00
08/07/13	JSD	Telephone conference with Jann Chubb and Ori Katz re resolution of Sheppard proof of claim.	0.20	425.00	85.00
08/07/13	JSD	Telephone conference with Mr. Leonard re resolution of Sheppard Mullin proof of claim.	0.30	425.00	127.50
08/08/13	JNV	Correspondence to L. Ettinger re Order establishing administrative claims bar date, confer with J. Dabbieri re same.	0.20	185.00	37.00
08/08/13	JSD	Researched and drafted memorandum to Ms. Ettinger re calculation of administrative claims bar date and possible revision to claims bar date order.	0.60	425.00	255.00
08/08/13	JSD	Telephone conference with Mr. Leonard re status of claims against estate.	0.20	425.00	85.00
08/08/13	JSD	Telephone conference with Jann Chubb re resolution of Sheppard claim.	0.40	425.00	170.00
08/09/13	JSD	Telephone conference with Frank Majorie re claims against estate.	0.80	425.00	340.00
08/12/13	JSD	Analyzed settlement materials forwarded by Mr. Katz of Sheppard Mullin.	0.50	425.00	212.50
08/13/13	JSD	Telephone conference with Ori Katz re Sheppard Mullin proof of claim.	0.20	425.00	85.00
08/13/13	JSD	Memorandum to Frank Majorie re potential claim against Sheppard Mullin.	0.40	425.00	170.00
08/14/13	JSD	Telephone conference with Ori Katz and Jann Chubb re Sheppard Mullin claims.	0.60	425.00	255.00
08/14/13	JSD	Memorandum to Rob Leeds re analysis of potential Sheppard Mullin claim.	0.20	425.00	85.00

## Sullivan, Hill, Lewin, Rez &amp; Engel

Asset Resolution, LLC  
 Re: Claims Analysis/Objections  
 I.D. 554-15003 - JPH

September 19, 2013  
 Invoice 150611  
 Page 4

Date	Atty	Description	Hours	Rate	Amount
08/14/13	JSD	Conference with Mr. Leonard re remaining claims against the debtors.	0.20	425.00	85.00
08/15/13	JSD	Telephone conference with Mr. Leonard re resolution of claims.	0.20	425.00	85.00
08/15/13	JSD	Telephone conference with Mr. Leonard, Ms. Chubb, and Ms. Cangelosi.	1.20	425.00	510.00
08/16/13	JSD	Memorandum to Paul St. John, counsel for San Bernardino County, re administrative claims bar date.	0.10	425.00	42.50
08/22/13	JSD	Reviewed memoranda re further opposition to motion to compel distribution; telephone conference with Mr. Leonard and Mr. Hill re same; memorandum to Mr. Leonard and Mr. Hill re additional arguments.	1.10	425.00	467.50
08/27/13	JSD	Reviewed Ms. Chubb's supplemental response re USA Capital Diversified claim.	0.20	425.00	85.00
08/27/13	JSD	Reviewed Platinum Financial response to Ms. Chubb's objection to claims.	0.30	425.00	127.50
08/27/13	JSD	Reviewed administrative claim filed by Mr. McGrane.	0.20	425.00	85.00
08/28/13	JNV	Prepare Notice of Non-Opposition re Motion to Discharge Epiq (.2); prepare Order approving Motion for same (.3); finalize, electronically file and serve foregoing (.3).	0.80	185.00	148.00
08/28/13	JSD	Revised notice re of non-opposition and draft order re discharging Epiq as claims processing agent.	0.30	425.00	127.50
08/30/13	JSD	Drafted supplemental memorandum of points and authorities re motion to compel distribution.	3.90	425.00	1,657.50
08/30/13	JSD	Drafted second supplemental declaration by Mr. Leonard re motion to compel distribution.	0.40	425.00	170.00
08/30/13	JSD	Memorandum to Mr. Leonard re draft supplemental pleadings.	0.10	425.00	42.50
<b>Total Fees</b>			<b>17.10</b>		<b>6,770.50</b>



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Asset Resolution, LLC  
c/o William A. Leonard, Jr., Trustee  
6625 South Valley View, Bldg B, Ste. 224  
Las Vegas, NV 89118

Invoice 150613  
September 19, 2013

Our Matter # 554-15306 - JPH  
Re: Preference Actions

For Services Rendered Through August 31, 2013

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Current Fees	2,018.00
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<b>Total Current Due</b>	<b>2,018.00</b>
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**Sullivan, Hill, Lewin, Rez & Engel**

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Asset Resolution, LLC	September 19, 2013
Re: Preference Actions	Invoice 150613
I.D. 554-15306 - JPH	Page 2

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Fee Recap				
		Hours	Rate/Hour	Amount
Jonathan S. Dabbieri	Shareholder	4.40	425.00	1,870.00
Jamie N. Vidovich	Paralegal	0.80	185.00	148.00
Totals		5.20		2,018.00

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**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC  
 Re: Preference Actions  
 I.D. 554-15306 - JPH

September 19, 2013  
 Invoice 150613  
 Page 3

Fees					
Date	Atty	Description	Hours	Rate	Amount
08/07/13	JSD	Revised pleadings for entry of default judgment re Sullivan.	1.10	425.00	467.50
08/09/13	JSD	Considered terms of motion for default against Sullivan.	0.20	425.00	85.00
08/12/13	JNV	Revise and finalize Motion for Default Judgment, supporting declaration of J. Dabbieri and judgment thereon (.4); prepare service for same (.2); electronically file foregoing (.2).	0.80	185.00	148.00
08/12/13	JSD	Finalized motion for entry of default judgment.	0.60	425.00	255.00
08/14/13	JSD	Reviewed and memorandum re proposed Akerman settlement.	0.30	425.00	127.50
08/14/13	JSD	Reviewed Gottex settlement documents and pleadings.	1.30	425.00	552.50
08/15/13	JSD	Reviewed revisions to Gottex settlement documents and memorandum re same.	0.50	425.00	212.50
08/23/13	JSD	Reviewed and approved final changes to Gottex documents.	0.40	425.00	170.00
<b>Total Fees</b>			<b>5.20</b>		<b>2,018.00</b>



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c/o William A. Leonard, Jr., Trustee  
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Las Vegas, NV 89118

Invoice 150614  
September 19, 2013

Our Matter # 554-15307 - JPH  
Re: Malpractice Actions

For Services Rendered Through August 31, 2013

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Current Fees	1,211.00
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<b>Total Current Due</b>	<b>1,211.00</b>
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**Sullivan, Hill, Lewin, Rez & Engel**

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Asset Resolution, LLC	September 19, 2013
Re: Malpractice Actions	Invoice 150614
I.D. 554-15307 - JPH	Page 2

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Fee Recap				
		Hours	Rate/Hour	Amount
James P. Hill	Shareholder	0.30	495.00	148.50
Jonathan S. Dabbieri	Shareholder	2.50	425.00	1,062.50
Totals		2.80		1,211.00

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**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC  
 Re: Malpractice Actions  
 I.D. 554-15307 - JPH

September 19, 2013  
 Invoice 150614  
 Page 3

Fees					
Date	Atty	Description	Hours	Rate	Amount
08/08/13	JPH	Conference with J. Dabbieri to review proposed Sheppard Mullin settlement and issues re same arising out of omnibus settlement agreement re control of malpractice claims for relief (.3) .	0.30	495.00	148.50
08/12/13	JSD	Telephone conference with Jann Chubb and Ori Katz re Sheppard proof of claim.	0.40	425.00	170.00
08/14/13	JSD	Reviewed Bullivant settlement agreement and pleadings.	1.90	425.00	807.50
08/15/13	JSD	Reviewed revisions to Bullivant settlement documents and memorandum approving same.	0.20	425.00	85.00
<b>Total Fees</b>			<b>2.80</b>		<b>1,211.00</b>



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Asset Resolution, LLC  
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6625 South Valley View, Bldg B, Ste. 224  
Las Vegas, NV 89118

Invoice 150615  
September 19, 2013

Our Matter # 554-16248 - JPH  
Re: Oak Shores II

For Services Rendered Through August 31, 2013

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Current Fees	55.50
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<b>Total Current Due</b>	<b>55.50</b>
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**Sullivan, Hill, Lewin, Rez & Engel**

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Asset Resolution, LLC  
Re: Oak Shores II  
I.D. 554-16248 - JPH

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September 19, 2013  
Invoice 150615  
Page 2

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Fee Recap				
		Hours	Rate/Hour	Amount
Jamie N. Vidovich	Paralegal	0.30	185.00	55.50
Totals		0.30		55.50

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**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC  
Re: Oak Shores II  
I.D. 554-16248 - JPH

September 19, 2013  
Invoice 150615  
Page 3

Fees					
Date	Atty	Description	Hours	Rate	Amount
08/14/13	JNV	Research re PAL orders, including Oak Shores II (.2); confer with J. Dabbieri re recording same (.1).	0.30	185.00	55.50
Total Fees			0.30		55.50

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Asset Resolution, LLC  
c/o William A. Leonard, Jr., Trustee  
6625 South Valley View, Bldg B, Ste. 224  
Las Vegas, NV 89118

Invoice 150616  
September 19, 2013

Our Matter # 554-16253 - JPH  
Re: Bundy Canyon Land Development, LLC

For Services Rendered Through August 31, 2013

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Current Fees	85.00
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<b>Total Current Due</b>	<b>85.00</b>
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**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC

September 19, 2013

Re: Bundy Canyon Land Development, LLC

Invoice 150616

I.D. 554-16253 - JPH

Page 2

**Fee Recap**

		<b>Hours</b>	<b>Rate/Hour</b>	<b>Amount</b>
Jonathan S. Dabbieri	Shareholder	0.20	425.00	85.00
<b>Totals</b>		<b>0.20</b>		<b>85.00</b>

**Sullivan, Hill, Lewin, Rez & Engel**

Asset Resolution, LLC  
Re: Bundy Canyon Land Development, LLC  
I.D. 554-16253 - JPH

September 19, 2013  
Invoice 150616  
Page 3

Fees					
Date	Atty	Description	Hours	Rate	Amount
08/28/13	JSD	Reviewed petitioning creditors' motion to appoint a chapter 7 trustee over Bundy Canyon Land Development.	0.20	425.00	85.00
Total Fees			0.20		85.00





EXHIBIT B

**SULLIVAN HILL'S ESTIMATED FEES AND COSTS  
AUGUST 2013 SUMMARY BUDGET**

Billing Category	AUGUST 2013 USUAL & CUSTOMARY Fees	AUGUST 2013 CAPPED Fees	80% of CAPPED Fees	AUGUST 2013 Costs	Estimated Fees and Costs SEPTEMBER/OCTOBER 2013
Asset Resolution, LLC General Administration	\$ 4,214.50	\$ 3,682.50	\$ 2,946.00	\$ 155.46	\$2,000 to \$5,000
Bundy 2.5M SPE, LLC 09-32831	\$ -	\$ -	\$ -	\$ -	NOMINAL
Bundy 5M SPE, LLC 09-32839	\$ -	\$ -	\$ -	\$ -	NOMINAL
CFP Anchor B SPE 09-32843	\$ -	\$ -	\$ -	\$ -	NOMINAL
CFP Cornman Toltec SPE 09-32844	\$ 49.50	\$ 40.00	\$ 32.00	\$ -	\$5,000 to \$10,000
CFP Gess SPE 09-32846	\$ -	\$ -	\$ -	\$ -	NOMINAL
CFP Gramercy SPE 09-32849	\$ -	\$ -	\$ -	\$ -	\$2,000 to \$4,000
Fiesta Stoneridge 09-32851	\$ -	\$ -	\$ -	\$ -	NOMINAL
Fox Hills SPE 09-32853	\$ 37.00	\$ 20.00	\$ 16.00	\$ -	\$5,000 to \$10,000
HFAH Monaco SPE 09-32868	\$ 42.50	\$ 40.00	\$ 32.00	\$ -	\$5,000 to \$10,000
Huntsville SPE 09-32873	\$ -	\$ -	\$ -	\$ -	NOMINAL
Lake Helen Partners SPE 09-32875	\$ 212.50	\$ 200.00	\$ 160.00	\$ -	\$5,000 to \$10,000
Ocean Atlantic SPE 09-32878	\$ -	\$ -	\$ -	\$ -	NOMINAL
Shamrock SPE 09-32880	\$ -	\$ -	\$ -	\$ -	NOMINAL
10-90 SPE 09-32882	\$ 127.50	\$ 120.00	\$ 96.00	\$ -	\$1,000 to \$5,000
ARC v. 1823 Corp., Adv #09-01410	\$ -	\$ -	\$ -	\$ -	NONE
Leonard v. Silar, Adv. #11-01100	\$ -	\$ -	\$ -	\$ -	NOMINAL
USA Commercial Mortgage, USDC #07-00892	\$ -	\$ -	\$ -	\$ -	\$2,000.00
Appeals Litigation	\$ -	\$ -	\$ -	\$ -	\$5,000 to \$10,000
USA Commercial Mortgage, USBC #06-10725	\$ -	\$ -	\$ -	\$ -	NOMINAL
Financial Documents/Turnover Demands/R2004 Discovery	\$ -	\$ -	\$ -	\$ -	NOMINAL
State Court Actions	\$ -	\$ -	\$ -	\$ -	NOMINAL
Fee Applications	\$ 874.00	\$ 620.00	\$ 496.00	\$ -	\$2,000.00
Florida Tax Sale	\$ -	\$ -	\$ -	\$ -	NOMINAL
BarUSA	\$ 340.00	\$ 320.00	\$ 256.00	\$ -	NOMINAL
Bay Pompano	\$ -	\$ -	\$ -	\$ -	NOMINAL
Binford Medical	\$ -	\$ -	\$ -	\$ -	\$2,000.00
Brookemere	\$ -	\$ -	\$ -	\$ -	NOMINAL
Castaic (including Barkett litigation)	\$ -	\$ -	\$ -	\$ -	\$2,000 to \$5,000
Comvest	\$ -	\$ -	\$ -	\$ -	NOMINAL
Copper Sage	\$ -	\$ -	\$ -	\$ -	NOMINAL
Fiesta Murrieta	\$ -	\$ -	\$ -	\$ -	\$5,000 to \$10,000
Fiesta Murrieta - Ashby/Redman	\$ -	\$ -	\$ -	\$ -	NOMINAL
Fiesta Murrieta - Clevenger	\$ -	\$ -	\$ -	\$ -	NOMINAL
Gardens	\$ 990.00	\$ 800.00	\$ 640.00	\$ -	\$5,000 to \$10,000
Harbor Georgetown	\$ -	\$ -	\$ -	\$ -	NOMINAL
HFA Clear Lake	\$ -	\$ -	\$ -	\$ -	\$2,000 to \$5,000
Margarita Annex	\$ 212.50	\$ 200.00	\$ 160.00	\$ -	\$2,000 to \$5,000
Marlton Square	\$ -	\$ -	\$ -	\$ -	NOMINAL
Palm Harbor	\$ 164.50	\$ 140.00	\$ 112.00	\$ -	\$2,000 to \$5,000
University Estates	\$ -	\$ -	\$ -	\$ -	NOMINAL
Claims held by ARC v. SPEs	\$ -	\$ -	\$ -	\$ -	NOMINAL
Claims held by ARC v. Loans	\$ -	\$ -	\$ -	\$ -	\$1,000.00
Claims Analysis/Objections	\$ 6,770.50	\$ 6,210.00	\$ 4,968.00	\$ -	\$8,000 to \$10,000
Preference Actions	\$ 2,018.00	\$ 1,840.00	\$ 1,472.00	\$ -	\$3,000.00
Malpractice Actions	\$ 1,211.00	\$ 1,120.00	\$ 896.00	\$ -	\$2,000 to \$5,000
Oak Shores II	\$ 55.50	\$ 30.00	\$ 24.00	\$ -	NOMINAL
Bundy Canyon Land Development	\$ 85.00	\$ 80.00	\$ 64.00	\$ -	\$1,000 to \$2,500
<b>Total</b>	<b>\$ 17,404.50</b>	<b>\$ 15,462.50</b>	<b>\$ 12,370.00</b>	<b>\$ 155.46</b>	

**In re Asset Resolution, LLC, Case No. 09-32824-RCJ**  
**SULLIVAN HILL'S ESTIMATED FEES AND COSTS BUDGET FOR THE MONTHS OF**  
**SEPTEMBER & OCTOBER 2013**

**I. General Administration**

This subfile reflects charges for time and costs for ARC "general" matters, including items relating to ARC assets and property interests not limited to a particular property, as well as general administrative matters, and for the early time devoted to the ARC cases, reviewing files, recovering files and records and generally becoming familiar with the assets and liabilities of ARC and its related SPE debtors entities, and which are not readily attributable to other, more specific subfiles. In general, a subfile has been opened for each debtor in these jointly administered estates, as well as for each matter which is expected to require a significant amount of attention. Over the course of the administration of the estate additional subfiles are opened as appropriate. At the request and for the benefit of the Oak Shores direct lenders the trustee filed a motion requesting authorization to incur post-petition financing for the development of that property. The motion was granted by an order entered on April 26, 2013. Those fees were included in this subfile. A separate Oak Shores subfile has been opened for subsequent fees. Sullivan Hill estimates that it will incur approximately \$2,000 to \$5,000 in fees and costs in this General Administration category for the months of September and October 2013.

**II. Bundy 2.5M SPE, LLC, Case No. 09-32831**

Loan servicing responsibility for this loan and property interests was moved to Cross FLS, as approved by order of this Court. Sullivan Hill estimates that it will incur nominal, if any, fees and costs for the months of September and October 2013.

**III. Bundy 5M SPE, LLC, Case No. 09-32839**

Loan servicing responsibility for this loan and property interests was moved to Cross FLS, as approved by order of this Court. Sullivan Hill estimates that it will incur nominal, if any, fees and costs for the months of September and October 2013.

**IV. CFP Anchor B SPE, Case No. 09-32843**

This property and related loan interests were sold prior to the trustee's appointment. Sullivan Hill estimates that it will incur nominal, if any, fees and costs for the months of September and October 2013.

**V. CFP Cornman Toltec SPE, Case No. 09-32844**

The loan for this property was foreclosed upon prior to the trustee's appointment and title is held by the related debtor SPE, CFP Cornman Toltec. The trustee remains as loan servicer for this property pursuant to the Court's conversion order in these cases. The ARC estate holds a .08% interest as a direct lender. The trustee has received inquiries concerning potential sale of this property, which have been referred to the loan captains. If the trustee is asked to facilitate a sale of the property, Sullivan Hill anticipates it will incur \$5,000 to \$10,000 in fees and costs for the months of September and October 2013.

**VI. CFP Gess SPE, Case No. 09-32846**

This property and related loan interests were sold prior to the appointment of the trustee. The trustee submitted a request for court authorization for him to distribute funds he was holding, per court instruction, from the property's sale. That request was granted and the funds were distributed in accordance with the order. Sullivan Hill estimates it will incur nominal, if any, fees and costs for the months of June and July, 2013.

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**VII. CFP Gramercy SPE, Case No. 09-32849**

This loan for this property was foreclosed upon prior to the trustee's appointment and title is held in the name of the related debtor SPE, CFP Gramercy. The ARC estate holds a 13.1% interest in the loan. The Court approved the trustee's Motion to Sell the property, and conducted an auction of the property. The sale closed on October 20, 2010. The trustee thereafter disbursed the bulk of \$15.8 million in net sale proceeds, net of court authorized claims and sale expenses, to various Direct Lender investors in the Gramercy loan. The trustee participated in the resolution of claims between CCM Pathfinder Gramercy Court, LLC and its affiliates and Silar Advisors, LP, and its affiliates, to resolve conflicting claims to some of the proceeds held in reserve. A stipulation and order was submitted to the Court and was entered. Under that order, the trustee had some funds in reserve for the benefit of Silar. The trustee later released the reserved funds in accordance with instructions received from Silar, implementing the Pathfinder/Silar Settlement. As is explained more fully in section XVIII concerning the 892 Action, the trustee has entered into a settlement, which has been approved by the Court, with the plaintiffs in the 892 Action as well as a number of other direct lenders represented by the law firm of Bickel & Brewer. The settlement enabled the trustee to resolve ARC's claims against the Gramercy loan proceeds for recoupment of servicing advances and servicing fees. The resolution of those claims enabled the trustee to make a further distribution of funds he held for the benefit of the Gramercy direct lenders. It has, however, been necessary to continue to hold in reserve some funds for potential payment of claims by other third parties against the collection proceeds. One direct lender objected to the charges and reserves assessed against him. The objection has been briefed and submitted to the Court. Sullivan Hill estimates that it will incur \$2,000 to \$4,000 in fees and costs for the months of September and October 2013.

**VIII. Fiesta Stoneridge, Case No. 09-32851**

This property is held in the name of the related debtor SPE, Fiesta Stoneridge, following a pre-trustee foreclosure sale. The ARC estate holds a 1.46% interest as a direct lender. Upon a vote of a majority in interest of the direct lenders, the court approved transfer of the estate's membership interest in the SPE (the estate is the sole member) to Vindrauga Corporation. Debt Acquisition Company of American V, LLC filed a motion to dismiss the bankruptcy, which the Court approved. The trustee and DACA settled the estate's claims and administrative expenses related to the separate Fiesta Stoneridge bankruptcy estate. That settlement, which was approved by the Court, was superseded by a more global settlement, resolving not only the trustee's claims against Fiesta Stoneridge, but also claims against the estate asserted by DACA and/or affiliated entities, and potentially claims between DACA and its affiliated entities and third parties, including Silar, certain direct lenders represented by the law firm of Bickel & Brewer, Boris Piskun, and others. That settlement was approved by the Court. Sullivan Hill estimates that it will incur nominal, if any, fees and costs for the months of September and October 2013.

**IX. Fox Hills SPE, Case No. 09-32853**

Loan servicing responsibility for this loan and property interests was moved to Cross FLS, as approved by order of this Court. The ARC estate has a .1% interest in Fox Hill 216 LLC and an 11.76% interest in Eagle Meadows Development. The trustee assisted Cross in obtaining the early release of certain monies held by the Sheppard Mullin law firm, to fund the sale of water rights owned by the LLC. The trustee provided and is continuing to provide additional assistance to the direct lenders in their efforts to sell the property and associated water rights. As is explained more fully in section XVIII concerning the 892 Action, the trustee entered into a settlement, which has been approved by the Court, with the plaintiffs in the 892 Action as well as a number of other direct lenders represented by the law firm of Bickel & Brewer. The settlement enabled the trustee to resolve ARC's claims against the Fox Hills loan proceeds for recoupment of servicing advances and servicing fees. The resolution of those claims enabled the trustee to make a further distribution

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of funds he held for the benefit of the Fox Hills direct lenders. It has, however, been necessary to continue to hold in reserve some funds for potential payment of claims by other third parties against the collection proceeds. The trustee is also working with the direct lenders to recover approximately \$1 million retained in escrow when some of the land and water rights were sold. The funds were retained in escrow due to a third party claim it owned some of the rights being sold. To permit the sale to close it was agreed approximately \$1 million of the sale price would be retained in escrow. The third party has now filed suit in the San Mateo County California Superior Court against all of the Fox Hills direct lenders, seeking release of these funds. The plaintiffs have mailed the summons and complaint to the direct lenders. The plaintiff contends that service by mail is effective as to those defendants/direct lenders who are not California residents. The estate is not a party to the litigation but the trustee anticipates cooperating with counsel chosen by the direct lenders to defend the suit. The trustee is also working with the direct lenders to facilitate sale of the water rights associated with the remaining real property. The real property is also the subject of a mechanic's lien asserted by Kaweah Construction Company for work it performed on adjacent property. The mechanic's lien action is being defended by a title company pursuant to a reservation of rights. The retained defense counsel had obtained summary judgment extinguishing the lien. That judgment, however, was reversed on appeal and the case has been remanded to the trial court for further proceedings. Sullivan Hill estimates that it will incur \$5,000 to \$10,000 in fees and costs for the months of September and October 2013.

**X. HFAH Monaco SPE, Case No. 09-32868**

This property is 100% owned by the ARC estate but title is in the name of the SPE debtor, HFAH Monaco, having been foreclosed upon pre-trustee. The trustee has received inquiries concerning the potential sale of this property and has referred them to the appropriate loan captains. If the trustee is requested to facilitate a sale of the property, Sullivan Hill estimates that it will incur \$5,000 to \$10,000 in fees and costs for the months of September and October 2013.

**XI. Huntsville SPE, Case No. 09-32873**

This property and related loan interests have been sold and loan servicing responsibility for this loan was moved to Cross FLS, as approved by this Court. As is explained more fully in section XVIII concerning the 892 Action, the trustee has entered into a settlement, which has been approved by the Court, with the plaintiffs in the 892 Action as well as a number of other direct lenders represented by the law firm of Bickel & Brewer. The settlement enabled the trustee to resolve ARC's claims against the Huntsville loan proceeds for recoupment of servicing advances and servicing fees. The resolution of those claims enabled the trustee to make a further distribution of funds he held for the benefit of the Huntsville direct lenders. Sullivan Hill estimates that it will incur nominal, if any, fees and costs for the months of September and October 2013.

**XII. Lake Helen Partners SPE, Case No. 09-32875**

Loan servicing responsibility for this loan and property interests was moved to Cross FLS, as approved by order of this Court. The ARC estate holds a 28.84% interest in this SPE debtor. Citron Investment Group, LLC ("Citron") foreclosed upon the property as agent and trustee for the direct lenders, including Asset Resolution. Although the foreclosure was completed, title was never transferred to Asset Resolution or Lake Helen Partners SPE and title to the property now stands in the name of Citron. When the property was at risk of being sold at a tax sale the trustee filed an emergency motion and obtained a stay enjoining the sale. Citron sold a portion of the property to third parties and the trustee sued Citron and the third party purchasers (Adversary Case No. 11-01080-RCJ) to transfer title to all of the property to the SPE. Substantial discovery and other pretrial preparation were undertaken. Shortly before 356663-v2

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commencement of trial a tentative settlement was reached, under which Citron agreed to transfer to the SPE all of the property which remained in its name and agreed to pay the estate \$100,000.00 over time and pursuant to a secured promissory note. The defendants who purchased a portion of the land will pay \$30,000.00 and will retain title to the portion they purchased. The trustee filed a motion for court approval of the settlement. Although no opposition was filed to the motion, the Court denied it without prejudice and requested additional information concerning the security for the promissory note. The trustee is obtaining the requested additional information and has arranged for a vote of the direct lenders, to ensure they support the settlement. The trustee received an inquiry from a prospective purchaser of some of the remaining land and has begun preliminary negotiations. Sullivan Hill estimates that it will incur approximately \$5,000 to \$10,000 in fees and costs for the months of September and October 2013 in resolving the adversary complaint against Citron and its principals and in investigating possible sale of all or some of the remaining land.

**XIII. Ocean Atlantic SPE, Case No. 09-32878**

The loan for this property was foreclosed upon prior to the trustee's appointment. Loan servicing was transferred to Cross. The ARC estate holds a 14.61% interest as a direct lender. When it was learned that upon foreclosure title to the property was taken in the name of ARC rather than the SPE, the trustee sought and received court authorization to transfer title to the SPE. The transfer was completed. Cross facilitated a sale of the property by the direct lenders and asked the trustee to seek court authorization to sign as seller. The trustee did so and a court order authorizing the trustee to sign as seller and to sell the estate's direct lender interest was entered and the property sold. As is explained more fully in section XVIII concerning the 892 Action, the trustee has entered into a settlement, which has been approved by the Court, with the plaintiffs in the 892 Action as well as a number of other direct lenders represented by the law firm of Bickel & Brewer. The settlement enabled the trustee to resolve ARC's claims against the Ocean Atlantic loan proceeds for recoupment of servicing advances and servicing fees. The resolution of those claims enabled the trustee to make a further distribution of funds he held for the benefit of the Ocean Atlantic direct lenders. Sullivan Hill estimates that it will incur nominal, if any, in fees and costs for the months of September and October 2013.

**XIV. Shamrock SPE, Case No. 09-32880**

The loan for this property was foreclosed upon prior to the trustee's appointment and title is held by the related debtor SPE, Shamrock. Sullivan Hill estimates that it will incur nominal, if any, fees and costs for the months of September and October 2013.

**XV. 10-90 SPE, Case No. 09-32882**

The trustee remains in place as an interim loan servicer for this loan pursuant to this Court's conversion order. The ARC estate does not appear to have a direct lender interest in this loan. On behalf of the direct lenders, the trustee filed a claim against the bankruptcy estate of Lawrence E. Redman (U.S. Bankruptcy Court, Central District of California, Case No. 2:08-BK-21925-ER), who guaranteed the loan. The claim was objected to and the trustee spent considerable time defending the claim and negotiating a settlement. Both this Court and the court presiding over the Redman bankruptcy, as well as a majority in interest of the affected direct lenders, approved the settlement. The County of San Bernardino has expressed an interest in seeking relief from stay to enforce its tax lien, but has not yet done so. Sullivan Hill estimates it will incur \$1,000 to \$5,000 in fees and costs for the months of September and October 2013.

**XVI. ARC v. 1823 Corp., Adv Case No. 09-01410**

This adversary action has been dismissed. No fees or costs are expected to be incurred on this matter.



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**XVII. Leonard v. Silar, et al., Adv. Case No. 11-01100**

This is an adversary action filed by the trustee. The action sought to recover from Silar and Servicing Oversight Solutions improper transfers/payments. It also sought an order requiring Silar and Compass, as well as their principals, to indemnify Asset Resolution for the costs and expenses it's incurred in defending the "892 Action" (discussed in paragraph XVIII below), as well as for the adverse judgment. The settlement in the 892 Action, discussed in section XVIII below, included resolution of this adversary action. Sullivan Hill estimates that it will incur nominal, if any, fees and costs for the months of September and October 2013.

**XVIII. USA Commercial Mortgage, USDC Case No. 07-00892 (the "892 Action")**

One of the more time consuming matters for the trustee has been litigation in the United States District Court for the District of Nevada, Case No. 07-00892 ("892 Action"). This action addressed claims by a number of individual direct lenders that Asset Resolution, Compass, and Silar committed erroneous and/or wrongful acts in the pre-bankruptcy servicing of some of the loans placed by USACM, after Compass purchased the servicing rights from USACM in its separate bankruptcy proceedings. Trial of this matter commenced on November 16, 2010 and was completed on December 14, 2010. It resulted in an award of compensatory damages against ARC in the sum of approximately \$54,000, and punitive damages of \$1,250,000. A number of post-trial motions were filed by the parties. The parties to this action engaged in extensive settlement negotiations to resolve this suit, the 11-01100 action, and other disputes. After protracted negotiations a tentative settlement was reached and a motion seeking Court approval of the proposed settlement was heard on April 12, 2012. The motion was granted and the settlement was approved. The parties then worked on preparation of the formal order, the liquidating/litigation trust agreement, and related documents. Preparation of the settlement documents was very time consuming because of the complex nature of the issues involved, including the need to analyze the tax ramifications of the trust's funding and operation. The parties submitted a proposed order and liquidating trust to the Court; however, due to objections to the form of the order its entry was delayed. Those objections have been resolved and an agreed form of the order has been filed with the court and entered. One of the issues resolved by the settlement is the manner in which ARC's claims against the loans for servicing fees, servicing advances, and other charges are to be calculated and any disputes resolved. Although the Court order approving the settlement has been appealed, the settling parties have agreed to go forward with the settlement and implement its terms. The trustee has distributed to the direct lenders associated with each loan for which he held funds, whether from the sale of the underlying security or otherwise, notices itemizing the charges to be assessed against that loan. The trustee has obtained *ex parte* orders authorizing the distribution of those funds and those distributions have been made. Sullivan Hill estimates that in the months of September and October 2013, the trustee will incur less than \$2,000 in fees and costs for the months of September and October 2013.

**XIX. Appeals Litigation**

Numerous appeals have been taken to the United States Court of Appeals for the Ninth Circuit, appealing orders entered both in the bankruptcy case and related adversary actions. On September 19, 2011 the Ninth Circuit issued its memorandum opinion resolving several of the appeals, affirming the district court as to three of the consolidated appeals, and dismissing the remaining three for lack of appellate jurisdiction. A separate appeal, filed by Debt Acquisition of America, has been set for oral argument on October 10, 2013. Although the trustee has not filed any pleadings related to the appeal and the estate will not be affected by the ruling, the trustee's counsel may be required to appear at the hearing. In that event, Sullivan Hill estimates that it will incur \$5,000 to \$10,000 in fees and costs for the months of September and October 2013. Fees and costs that were incurred for the appeal of the sale of the Gramercy property (now dismissed) were budgeted in a separate subfile, paragraph VII above.

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**XX. USA Commercial Mortgage, USBC Case No. 06-10725**

This subfile refers to the bankruptcy proceedings filed by USA Commercial Mortgage. Sullivan Hill estimates that it will incur nominal, if any, fees and costs for the months of September and October 2013.

**XXI. Financial Documents/Turnover Demands/R2004 Discovery**

As part of its investigation into preference, fraudulent transfer, and other avoidance actions which might be appropriate for the trustee to undertake, the trustee noticed examinations of a number of persons and entities pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure. Because Asset Resolution's activities were nationwide, many of the entities to be deposed do not reside in Nevada and would have to be deposed in other states. Pending resolution of efforts to mediate many of the issues involved in the bankruptcy and related adversary actions, including the 892 Action, the trustee deferred conducting the authorized examinations. With the settlement of the 892 Action the trustee at present is not proceeding with those examinations. Sullivan Hill therefore estimates it will incur nominal, if any, fees or costs in September and October 2013.

**XXII. State Court Actions**

Prior to the appointment of the trustee, Asset Resolution commenced several state court actions against persons or entities who guaranteed the loans serviced by Asset Resolution. Two of these state court cases are *Compass FP Corp. v. Ashby et al.*, Orange County Superior Court No. 07 CC 09823, and *Compass v. Clevenger*, Contra Costa County Superior Court Case No. MSC07-02533. Responsibility for both cases was transferred to Cross as the cases relate to the Fiesta Murrieta loan. Any claims may now be pursued by the Claims Resolution Trust, formed pursuant to the settlement of the 892 action. The estimated attorneys' fees and costs relating to these actions are budgeted in separate subfiles.

**XXIII. Fee Applications**

Sullivan Hill estimates that it will incur approximately \$2,000 in fees and costs for the months of September and October 2013, relating to compliance with interim fee procedures, setting up various subfiles and noticing procedures, and generally implementing the fee procedures approved by the Court, as well as assisting the trustee file and serve his own fee applications.

**XXIV. Florida Tax Sales**

Sullivan Hill estimates the estate will incur nominal, if any, fees and costs for the months of September and October 2013 relating to pending or threatened Florida tax sales which have threatened in the past not only ARC's direct lender interests, but also those of various third party direct lenders. Sullivan Hill has filed numerous Notices of Bankruptcy Filing and Imposition of the Automatic Stay pursuant to U.S.C. § 362.

**XXV. BarUSA**

The servicing of this loan has been transferred to Vindrauga Corporation. Sullivan Hill estimates that it will incur nominal, if any, fees and costs for the months of September and October 2013.

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**XXVI. Bay Pompano**

This loan originated as a loan to Bay Pompano Beach, LLC (Bay Pompano), evidenced by a promissory note (the Note) dated June 20, 2005. It was secured by a mortgage (the Mortgage) against a condominium project located in Pompano Beach, Florida. Prior to the bankruptcy and in or near June, 2008, Citron Investment Group, Inc., as Florida-licensed subservicer for Compass Financial Partners LLC, sold the Note and assigned the Mortgage to Realty Financial Partners VI Limited Partnership (Realty Financial). As part of the sale a \$1,000,000 escrow account was opened to reimburse Realty Financial and/or entities affiliated with it for anticipated litigation expenses concerning the Note and Mortgage. Under the terms governing the escrow account, if the underlying litigation were settled based upon a payment to Realty Financial or its affiliate of less than \$1,000,000, Realty Financial and Citron/Compass (on behalf of the direct lenders) would equally share the combined amount of the settlement payment and the remaining escrowed funds. A settlement of that litigation was reached, conditioned upon the trustee, on behalf of the direct lenders and with their consent, agreeing to accept \$75,000 less than an equal split. The settlement was approved by a majority in interest of the direct lenders and by the Court. Under the settlement, the payment to the estate on behalf of the direct lenders was approximately \$655,000, which has been distributed to the direct lenders. Sullivan Hill estimates that it will incur nominal, if any, fees and costs for the months of September and October 2013.

**XXVII. Binford Medical**

The ARC estate holds a 17.25% interest in this loan. Loan servicing responsibility for this loan and property interests was moved to Cross FLS, as approved by order of this Court. It was then moved to Platinum, which asked the trustee to assist in obtaining a protective advance from Silar. At Platinum's request, the trustee filed a motion seeking court approval of a protective advance. The motion was granted, the loan funded, and the property, which was only days away from being lost to tax liens, was redeemed. Sullivan Hill estimates that it will incur less than \$2,000 in fees and costs for the months of September and October 2013.

**XXVIII. Brookemere**

This property remains under the supervision of the Court-appointed Receiver. Sullivan Hill estimates that it will incur nominal, if any, fees and costs for the months of September and October 2013.

**XXIX. Castaic (including Barkett litigation)**

This subfile involves three loans. The ARC estate owns 1.43% of Castaic I (also known as Tapia Ranch), 7.59% of Castaic Partners II and 1.6% of Castaic Partners III. ARC is no longer the servicer of these loans. Sullivan Hill estimates that it will incur nominal, if any, fees and costs for the months of September and October 2013.

**XXX. Comvest**

Loan servicing responsibility for this loan and property interests was moved to Cross FLS, as approved by order of this Court. The ARC estate held a 17.82% interest in this loan. The trustee was requested to facilitate a sale of this loan and an *ex parte* application for authorization to do so was filed with the Court. The Court approved the application and the sale has closed. The trustee sought and obtained Court authorization to distribute the sales proceeds to the Comvest direct lenders and that distribution has been made. Sullivan Hill estimates that it will incur nominal, if any, fees and costs for the months of September and October 2013.



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**XXXI. Copper Sage**

The ARC estate's interests in the Copper Sage loan were sold to Silver Point (SPCP Group, LLC) prior to the trustee's appointment. It appears, however, that title was never transferred from the estate to Silver Point. Sullivan Hill estimates that it will incur nominal, if any, fees and costs for the months of September and October 2013.

**XXXII. Fiesta Murrieta**

The loan servicing responsibility for this loan property and property interests was moved to Cross FLS, as approved by order of this Court. The trustee has been asked to facilitate a development effort including foreclosing on the property, by the direct lenders. Sullivan Hill estimates that it will incur \$5,000 to \$10,000 in fees and costs for the months of September and October 2013.

**XXXIII. Fiesta Murrieta – Ashby/Redman**

This file relates to a lawsuit in state court which has been reduced to judgment. The case relates to the Fiesta Murrieta Loan, servicing of which was moved to Cross FLS and the 10-90 loan, which is still serviced by the trustee. Much of the time recorded under this matter related to activity in the Chapter 11 bankruptcy case filed by the loan guarantor/principal, Lawrence E. Redman, in the U.S. Bankruptcy Court for the Central District of California (Case No. 2:08-BK-21925-ER). As was explained in section XV, the claim filed in the Redman bankruptcy on behalf of the 10-90 direct lenders was settled and the settlement was approved by the direct lenders and the Court.

**XXXIV. Fiesta Murrieta - Clevenger**

This file relates to a state court lawsuit relating to the Fiesta Murrieta loan. Servicing of the loan was transferred to Cross, FLS. Sullivan Hill estimates that it will incur nominal, if any, fees and costs for the months of September and October 2013.

**XXXV. Gardens**

This subfile involves three related loans and property interests. The ARC estate has a 5.53% interest in a loan known as Gardens 2.4253. The ARC estate also has a separate 31.03% interest in the Gardens Timeshare loan. It also wholly owns a loan known as Gardens Phase II. Servicing of the Gardens Timeshare loan was first transferred to Platinum Financial Trust, LLP, and then subsequently transferred to Commercial Mortgage Managers, Inc. in November 2011. The trustee is currently analyzing a tentative debt restructuring proposal and/or taking substantive action to resolve the status of these loans and the borrower's failure to cure the loan defaults. The trustee has engaged in multi-party settlement talks with the borrowers, guarantors, new loan servicer and direct lenders, however, if the matter cannot be settled, litigation is likely against the guarantors for these loans. Sullivan Hill estimates that it will incur \$5,000 to \$10,000 in fees and costs for the months of September and October 2013.

**XXXVI. Harbor Georgetown**

The ARC estate holds a 5.8% interest in this loan. The note was sold in April 2010. Under the terms of sale, the buyer immediately paid the delinquent taxes which had accrued against the property and was to make a single balloon payment of \$2,000,000 in 2012. On April 10, 2012 the trustee received \$1,905,586.00, the net proceeds of that balloon payment. As is explained more fully in section XVIII concerning the 892 Action, the trustee entered into a settlement,

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which has been approved by the Court, with the plaintiffs in the 892 Action as well as a number of other direct lenders represented by the law firm of Bickel & Brewer. The Court approved the settlement and the settlement enabled the trustee to resolve ARC's claims against the Harbor Georgetown loan proceeds for recoupment of servicing advances and servicing fees. The resolution of those claims enabled the trustee to make a further distribution of funds he held for the benefit of the Harbor Georgetown direct lenders. Sullivan Hill estimates that it will incur nominal, if any, fees and costs for the months of September and October 2013.

**XXXVII. HFA Clear Lake**

Loan servicing responsibility for this loan and property interests was moved to Cross FLS, as approved by order of this Court. The ARC estate appears to have a .29% interest in one of the Clear Lake loans. The borrower recently moved for relief from stay as part of an effort to sell the property securing the loans for \$4,225,000. Because a sale at this price had previously been rejected by the direct lenders and to give the direct lenders time to consider alternative development plan, the trustee filed opposition to the motion. No hearing has been set and the motion remains pending. Sullivan Hill estimates that it will incur \$2,000 to \$5,000 in fees and costs for the months of September and October 2013 on this matter.

**XXXVIII. Margarita Annex**

Loan servicing responsibility for this loan and property interests was moved to Cross FLS, as approved by order of this Court. The ARC estate appears to have a 24.42% interest in this loan. Silar agreed to make a loan for the benefit of the Margarita Annex direct lenders and, at the direct lenders' instruction, the trustee filed a motion seeking Court approval of that financing. The motion was heard and granted on April 19, 2012. Subsequently, the TDI representatives retained counsel, William McGrane of San Francisco, to address a limited number of issues concerning the property and a pending state court lawsuit between the borrower and a developer who had certain rights with respect to the property. A dispute arose with Mr. McGrane (who withdrew from the representation), who asserted that each direct lender involved in this loan was individually liable to him for the full amount of his unpaid fees of approximately \$150,000 (after he received approximately \$50,000 from the Silar loan proceeds). Mr. McGrane requested that the trustee give him the names and addresses of the Margarita Annex direct lenders, to send each a Notice of Client's Right to Arbitrate, a prelude to suing for the unpaid fees. The trustee declined to provide the requested information and disputed its liability (and the liability of the other direct lenders) for the unpaid fees. Mr. McGrane filed an adversary action against the trustee, seeking a determination of whether the estate is bound by his fee agreement and liable for his fees, and a determination of the estate's obligation to participate in arbitration before the American Arbitration Association. All of Mr. McGrane's claims have been settled through a mediation conducted before Magistrate Judge Cooke of the Nevada district court. Final settlement agreements are being drafted. The trustee and/or his counsel may, if and as authorized by the court, assist the Margarita Annex direct lenders with respect to the pending state court Litigation. Sullivan Hill estimates that it will incur approximately \$2,000 to \$5,000 in fees and costs for the months of September and October 2013.

**XXXIX. Marlton Square**

Loan servicing responsibility for this loan has been transferred to Commercial Mortgage Managers. The estate filed a claim seeking servicing fees and reimbursement of advances made on behalf of the loan. With the settlement of the 892 Action, discussed in section XVIII, above, ARC's claim was adjusted to reflect the terms of the settlement and the estate received payment on its claim. Sullivan Hill estimates it will incur nominal, if any, fees and costs for the months of September and October 2013.

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**XL. Palm Harbor**

The servicing responsibility for this loan and property interests was moved to CCM Pathfinder Pompano Bay, LLC pursuant to order of this Court. The ARC estate holds a 5.6% interest in this loan. The trustee has begun negotiations with the new servicer to determine the servicer fees and reimbursements to which ARC is entitled with respect to this property. Sullivan Hill estimates that it will incur \$2,000 to \$5,000 in fees and costs for the months of September and October 2013.

**XLI. University Estates**

This loan was 100% owned by the ARC estate. The trustee received court authorization to sell the loan and related rights to a third party, completed the sale, and obtained a court order authorizing the distribution of the sales proceeds to the direct lenders. That distribution has been made. Sullivan Hill estimates that it will incur nominal, if any, fees and costs for the months of September and October 2013.

**XLII. ARC Claims against SPE's**

The trustee, on behalf of ARC, filed claims against each special purpose entity which is a co-debtor. The trustee does not anticipate significant activity concerning claims in the immediate future. As detailed in the discussion of the 892 action above, with the settlement of that action the trustee is in a position to have its claims against the SPE's resolved when appropriate (*e.g.*, when there are loan collections available to pay the claim). Sullivan Hill estimates it will incur nominal, if any, fees and costs for the months of September and October 2013.

**XLIII. ARC Claims against Loans**

The trustee, on behalf of the jointly administered estates, has, when appropriate and in accordance with court orders, filed a claim against each loan or property when its servicing was moved to a different loan servicer. As detailed in the discussion of the 892 action above, with the settlement of that action the trustee has resolved the estate's claims against several of the loans, has received or will shortly receive payment of its servicing fees and, reimbursement of servicing advances made by ARC or its predecessors and, after reserving funds, where appropriate, for other potential claims, has distributed the funds held for the benefit of the direct lenders. Sullivan Hill estimates that it will incur less than \$1,000 in fees and costs for the months of September and October 2013.

**XLIV. Claims Analysis/Objections**

The trustee completed his first review of the Proofs of Claim filed against the ARC estate and filed two rounds of objections. The first omnibus objection was sustained as to all but one creditor. A separate hearing, on a second set of 24 objections, was held on September 15, 2011. Many of the objections included in the second set were resolved by stipulated disallowance of the claim, the creditor's voluntary withdrawal of the claim, or the court's disallowance of the claim due to the creditor's failure to respond to the objection. A third set of objections was heard May 9, 2012. To the extent practicable, where a creditor responds to an objection, to reduce estate legal fees representatives of the Claims Resolution Trust are taking the lead in negotiating settlements. A group of direct lenders, a subset of the Bickel & Brewer settling direct lenders, has filed a motion with the court to compel a distribution from the estate and making objections to some of the remaining unresolved claims. The trustee filed a response, joining in part the claims objections, and raising concerns with what might be a premature distribution. At least one other creditor has also opposed the motion. The

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motion is now pending with the court. Sullivan Hill estimates it will incur \$8,000 to \$10,000 in fees and costs for the months of September and October 2013.

**XLV. Preference Actions**

The trustee has filed sixteen preference actions. Under the 892 settlement agreement, these claims have been transferred to the liquidating trust. The trustee is assisting in the resolution of these actions. Sullivan Hill estimates it will incur approximately \$3,000 in fees and costs for the months of September and October 2013.

**XLVI. Malpractice Actions**

The trustee has asserted claims and/or filed professional malpractice actions against firms which rendered legal advice concerning the transaction which precipitated and/or were instrumental in the conduct which gave rise to the direct lenders' litigation and claims against the estate. Under the settlement agreement resolving the 892 action, most of these claims have been transferred to the liquidating trust. The trustee is assisting in the resolution of these actions. Sullivan Hill estimates that it will incur between \$2,000 and \$5,000 in fees and costs for the months of September and October 2013.

**XLVII. Oak Shores II**

At the request and for the benefit of the Oak Shores direct lenders the trustee filed a motion requesting authorization to incur post-petition financing for the development of that property. The motion was granted by an order entered on April 26, 2013. Those fees and costs were recorded in the general administration subfile, discussed in section I, above. Subsequent fees and costs are recorded in this subsection. Sullivan Hill estimates it will incur nominal, if any, fees and costs for the months of September and October 2013.

**XLVIII. Bundy Canyon Land Development**

This is the borrower under several USA Capital Mortgage loans. With respect to Bundy 5.725 and Bundy 7.5, the land securing these loans is located in Riverside, California. County tax authorities recently threatened to foreclose upon the land for unpaid taxes. Three Bundy direct lenders filed an involuntary bankruptcy petition against the borrower, to stop the foreclosure. The trustee is coordinating with the direct lenders in these efforts. Sullivan Hill provided research assistance concerning procedural requirements for tax sales and attended an OSC hearing set by the bankruptcy court on the issue of whether the bankruptcy should be dismissed. The Bankruptcy Court upheld the involuntary filing and has entered an order for relief. Sullivan Hill estimates that it will incur \$1,000 to \$2,500 in fees and costs in September and October 2013.